



**METLIFE CAPITAL CREDIT
CORPORATION**
A METROPOLITAN LIFE COMPANY

Ten Stamford Forum, P.O. Box 601, Stamford, Connecticut 06904 203 328-2700

8-342A020

DEC 7 1988

Date

Fee \$ 13⁰⁰

ICC Washington, D.C.

November 10, 1988

Secretary, Interstate Commerce Commission
Washington, D.C. 20423

INTERSTATE COMMERCE COMMISSION

Re: Horsehead Industries, Inc.

DEC 7 1988 9-50 AM

Dear Secretary:

RECORDATION NO. 6061

DEC 7 9 41 AM '88
MOTOR OPERATING UNIT
100 JF 1E 04
TUL 00001 100

I have enclosed an original and one copy of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This document is a lease.

The names and addresses of the parties to the document are as follows:

Lessor: MetLife Capital Credit Corporation
Ten Stamford Forum
Stamford, Connecticut 06904

Lessee: Horsehead Industries, Inc.
204 East 39th Street
New York, New York 10016

A description of the equipment covered by the document follows:

Eighty (80) 100 Ton Gondola Railcars are marked ZCAX72000 through ZCAX72079

A fee of \$13 is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to the person who is filing these documents or to the undersigned.

A short summary of the document to appear in the index follows:

Equipment Lease Agreement dated November 10, 1988 between MetLife Capital Credit Corporation, as Lessor, and Horsehead Industries, Inc. as Lessee, for eighty (80) 100 Ton Gondola Railcars.

Very truly yours,

Richard J. Tannenbaum
Assistant General Counsel

Counterpart May 20 1988

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

12/7/88

Richard J Tannenbaum
Metlife Capital Credit Corporation
Ten Stamford Forum
P.O.Box 601
Stamford, Conn. 06904

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 12/7/88 at 9:50am, and assigned recordation number(s). 16061

Sincerely yours,

Nesta L. McEneaney
Secretary

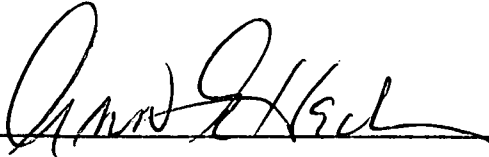
Enclosure(s).

INTERSTATE COMMERCE COMMISSION

STATE OF CONNECTICUT)
) ss:
COUNTY OF FAIRFIELD)

DEC 7 1988 9-50 AM
1 6061
RECORDATION NO. FBO 1425

On this 30th day of November, 1988, before me personally appeared Linda E. Kausas, to me personally known, who being by me duly sworn, says that she is the Documentation Manager of MetLife Capital Credit Corporation, that she has compared the copy of the Master Equipment Lease Agreement and supporting documentation to the original and has found the copy to be complete and identical in all respects to the original document.



My Commission Expires: 3/31/92



DEC 7 1988 9-50 AM

MASTER EQUIPMENT LEASE AGREEMENT

REGISTRATION NO. 6061-1425

MASTER EQUIPMENT LEASE AGREEMENT (hereinafter called "Lease") dated as of the TENTH day of NOVEMBER 19 88, by and between METLIFE CAPITAL CREDIT CORPORATION, a Delaware corporation, its successors and assigns, (hereinafter called "Lessor") and HORSEHEAD INDUSTRIES, INC. (hereinafter called "Lessee") located at 204 East 39th Street, New York, New York 10016

In consideration of the mutual covenants, representations, warranties, terms and conditions hereinafter set forth, Lessor and Lessee agree and enter into this Lease, the terms of which govern and are applicable to any and all Equipment Schedules (all such schedules hereinafter collectively referred to as the "Schedule") annexed hereto and made a part hereof and the equipment referred to therein, together with all components, parts, additions, accessions and attachments thereto (hereinafter called "Equipment"). With respect to each Schedule, effective as of the date thereof, Lessor leases to Lessee and Lessee leases from Lessor the Equipment described therein and upon the following terms and conditions:

1 Term

The term of this Lease with respect to any item of Equipment shall be as set forth in the Schedule relating thereto.

2 Rent: Net Lease

Lessee covenants and agrees to pay to Lessor, as rent for the Equipment, without any deduction or setoff, the aggregate amounts specified in the Schedule relating thereto. This Lease is a net lease, and Lessee's obligations to pay rent and other payments due hereunder are absolute and unconditional and shall not be subject to any abatement, reduction, setoff or defense under any circumstances or for any reason whatsoever. THIS LEASE IS NON-CANCELLABLE BY LESSEE IN WHOLE OR IN PART.

Should Lessee fail to pay any part of the rent or any other sum required to be paid to Lessor, within ten (10) days after the due date thereof, Lessee shall pay to Lessor charges on such delinquent payment which shall accrue until paid at a rate equal to the lower of one per cent (1%) per month or the highest lawful contract rate allowed by the state in which the Equipment is located.

Installments of rent are to be paid in the manner and at the time and place specified in the Schedule. The receipt of any check or other item tendered for any rental payment will not be considered as payment thereof until such check or other item is honored when presented for payment. Payments may be applied by Lessor at any time against any obligation due and owing by Lessee under this Lease (in Lessor's sole discretion) notwithstanding any statement appearing on or referred to in any remittance from Lessee. In the event relief is sought by or against Lessee under any bankruptcy, insolvency or other statute relating to debt restructuring within ninety (90) days after receipt of a payment, the payment shall be deemed applicable to the unpaid obligation then due hereunder in inverse order of maturity and shall be deemed to be payment of a debt incurred by Lessee in the ordinary course of its business or financial affairs.

3 Equipment Selection: Inspection and Acceptance by Lessee

Lessee has selected the type, quantity, manufacturer and supplier of each item of Equipment to be leased hereunder, as evidenced by the Schedule therefor. Lessor shall not be responsible for, nor shall the validity of this Lease or any Schedule be affected by, any delay in or failure of delivery of ordered Equipment.

Upon delivery of each item of Equipment to Lessee, Lessee shall, subject to the conditions set forth herein, (i) inspect such item of Equipment to determine if it is in good condition and conforms to the purchase order therefor, and (ii) if it is and does, accept the item of Equipment on behalf of Lessor for lease hereunder, and execute for delivery to Lessor an Acceptance Certificate for such item of Equipment in form satisfactory to Lessor. Execution of that Acceptance Certificate shall constitute irrevocable acceptance by Lessee of that Equipment for lease hereunder.

FORM NO. 020 100 1286

In the event any item of Equipment is either not accepted by Lessee for lease hereunder for any reason whatsoever or not paid for by Lessor because of Lessee's failure to satisfy all of Lessor's requirements hereunder Lessee shall indemnify and save harmless Lessor, its agents, successors and assigns from and against any and all liabilities and obligations to the supplier of the Equipment or to any installer thereof and promptly reimburse Lessor for any amounts paid by Lessor to the supplier or installer with respect to the Equipment.

4 Agreement Completion

Lessee authorizes Lessor to insert herein or in any Schedule, dates, models, serial numbers, and other pertinent data relative to the proper identification of Equipment and/or Lessee.

5 Use and Maintenance

Lessee shall use the Equipment solely in the conduct of its business and in a careful, lawful and proper manner consistent with the requirements of all applicable laws and insurance policies relating to the Equipment. Lessee will not change the location of any Equipment as specified in the Schedule without the prior written consent of Lessor, which consent shall not be unreasonably withheld, except that in no event shall the Equipment be moved or used outside of the continental United States. Lessee shall not attach or incorporate the Equipment to or in any other item of equipment in such a manner that the Equipment becomes or may be deemed to have become an accession to or a part of such other item of equipment.

Lessee, at its own expense, will keep and maintain, or cause to be kept and maintained, the Equipment in as good operating condition as when delivered to Lessee hereunder, ordinary wear and tear resulting from proper use thereof alone excepted, and will provide all maintenance and service and make all repairs necessary for such purpose.

If Lessor supplies Lessee with labels designating its interest in the Equipment, Lessee shall affix same to and keep them in a prominent place on the Equipment.

In addition, if any parts or accessories forming part of the Equipment shall from time to time become worn out, lost, destroyed, damaged beyond repair or otherwise permanently rendered unfit for use, Lessee, at its own expense, will within a reasonable time replace such parts or accessories, or cause the same to be replaced, by replacement parts or accessories which are free and clear of all liens, encumbrances or rights of others and which have a value and utility at least equal to the parts or accessories replaced. All equipment, accessories, parts and replacements for or which cannot be detached from the Equipment without materially interfering with the operation of the Equipment or adversely affecting the value and utility which the Equipment would have had without the addition thereof, shall immediately become the property of Lessor, and shall be deemed incorporated in the Equipment and subject to the terms of this Lease as if originally leased hereunder. Lessee shall make no material alterations to the Equipment without the prior written consent of Lessor, which consent shall not be unreasonably withheld. Upon reasonable advance notice, Lessor

shall have the right to inspect the Equipment and all maintenance records with respect thereto, if any, at any reasonable time during normal business hours

6 Lessee's Representations and Warranties

Lessee hereby represents and warrants to Lessor that:

(a) Lessee (if a corporation) is duly organized and validly existing in good standing under the laws of the state of its incorporation, and is duly qualified and authorized to do business as a foreign corporation in good standing in each state in which the Equipment is to be located.

(b) Lessee (if a corporation) has the corporate power and authority to enter into and perform its obligations hereunder, and the execution, delivery and performance of this Lease, the Schedule, and all related instruments and documents, (i) have been duly authorized by all necessary corporate action on the part of Lessee; (ii) do not require any stockholder approval or approval or consent of any trustee or holders of any indebtedness or obligations of Lessee except such as have been duly obtained; and (iii) do not and will not contravene any law, governmental rule, regulation or order now binding on Lessee, or the charter or by-laws of Lessee, or contravene the provisions of, or constitute a default under, or result in the creation of any lien or encumbrance upon the property of Lessee under any indenture, mortgage, contract or other agreement to which Lessee is a party or by which it is bound.

(c) Neither the execution and delivery by Lessee of this Lease, the Schedule and all related instruments and documents, nor the consummation of any of the transactions by Lessee contemplated hereby or thereby, requires the consent or approval of, the giving of notice to, the registration with, or the taking of any other action in respect of any Federal, state or foreign governmental authority or agency, except as provided herein.

(d) This Lease, the Schedule, and all related instruments and documents, when entered into, will constitute legal, valid and binding obligations of Lessee enforceable against Lessee in accordance with the terms thereof, except as limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally, and by applicable laws (including any applicable common law and equity) and judicial decisions which may affect the remedies provided herein. Lessor has valid title to the Equipment described in the Schedule attached hereto free and clear of any and all encumbrances, liens, charges or defects and that the Equipment shall be maintained throughout the term free of all encumbrances, liens and security interests except those arising from Lessor's interest therein.

(e) There are no pending actions or proceedings to which Lessee is a party, and there are no other pending or threatened actions or proceedings of which Lessee has knowledge, before any court, arbitration panel or administrative agency which, either individually or in the aggregate, are likely to materially adversely affect the financial condition of Lessee, or the ability of Lessee to perform its obligations hereunder. Further, Lessee is not in default under any material obligation for the payment of borrowed money, for the deferred purchase price of property, or for the payment of any rent under any lease agreement which, either individually or in the aggregate, would have the same such effect.

(f) Under the laws of the states in which the Equipment is to be located, the Equipment is deemed to consist solely of personal property.

(g) The financial statements of Lessee (copies of which have been furnished to Lessor) have been prepared in accordance with generally accepted accounting principles consistently applied, and in all material respects, accurately and completely present Lessee's financial condition and the results of its operations as of the date of and for the period covered by such statements, and since the date of such statements there has been no material adverse change in such conditions or operations.

(h) Lessee has been advised of the cash purchase price of the Equipment (plus applicable taxes), as set forth herein, and that Lessee had the option to purchase the Equipment outright for that amount but has elected to lease said Equipment as provided herein.

7 Warranties

LESSOR NOT BEING THE MANUFACTURER OR VENDOR OF THE EQUIPMENT, MAKES NO REPRESENTATION OR WARRANTY, EITHER EXPRESSED OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, THE DESIGN OR CONDITION OF THE EQUIPMENT, ITS MERCHANTABILITY, DURABILITY, SUITABILITY OR ITS FITNESS FOR ANY PARTICULAR PURPOSE, THE QUALITY OF THE MATERIAL OR WORKMANSHIP OF THE EQUIPMENT, OR THE CONFORMITY OF THE EQUIPMENT TO THE PROVISIONS AND SPECIFICATIONS OF ANY PURCHASE ORDER OR ORDERS RELATING THERETO, AND LESSOR HEREBY DISCLAIMS ANY SUCH REPRESENTATION OR WARRANTY (WHICH DISCLAIMER LESSEE HEREBY ACKNOWLEDGES), WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, LESSOR SHALL NOT

BE LIABLE OR RESPONSIBLE FOR ANY DEFECTS EITHER PATENT OR LATENT (WHETHER OR NOT DISCOVERABLE BY LESSEE), IN THE EQUIPMENT, OR FOR ANY DIRECT OR INDIRECT DAMAGE TO PERSONS OR PROPERTY RESULTING THEREFROM, OR FOR LESSEE'S LOSS OF USE OF THE EQUIPMENT OR FOR ANY INTERRUPTION IN LESSEE'S BUSINESS CAUSED BY LESSEE'S INABILITY TO USE OF THE EQUIPMENT FOR ANY REASON WHATSOEVER OR FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES. So long and only so long as an Event of Default hereunder shall not have occurred and be continuing, and so long and only so long as the Equipment shall be subject to this Lease and Lessee shall be entitled to possession of the Equipment hereunder, Lessor authorizes Lessee, at Lessee's expense, to assert for Lessor's account, all rights and powers of Lessor under any manufacturer's, vendor's or dealer's warranty on the Equipment or any part thereof; provided, however, that Lessee shall indemnify, protect, save, defend and hold harmless Lessor from and against any and all claims, and all costs, expenses, damages, losses and liabilities incurred or suffered by Lessor in connection therewith, as a result of, or incident to, any action by Lessee pursuant to the foregoing authorization.

8 Insurance

At its own expense, Lessee shall provide and maintain the following described insurance of a type and form, in amounts and with companies approved by Lessor:

(a) Property insurance on each item of Equipment for the actual replacement value of such item of Equipment and in no event for less than the Casualty Loss Value thereof as hereinafter set forth. Settlements for losses shall be paid only to Lessor and/or Assignee, if any, and all property insurance policies shall contain a loss payable clause to this effect, shall provide for thirty (30) days' written notice to Lessor prior to the time any coverage is altered or cancelled and shall insure the interests of Lessor regardless of any breach or violation by Lessee of any warranties, declarations or conditions contained in such policies; and

(b) Public liability and property damage insurance of a comprehensive nature covering each item of Equipment, and all such liability insurance policies shall be primary and without right of contribution from other insurance which is carried by Lessor. Each public liability and property damage policy shall name Lessor and/or Assignee and Lessee as insureds, shall expressly provide that all of the insurance provisions, except the limits of liability, shall operate in the manner as if there were a separate policy covering each insured and shall provide for thirty (30) days' written notice to Lessor prior to the time any coverage is altered or cancelled.

In the event that such insurance as required herein shall be in an insurance industry "claims made" form of coverage, (i) the obligation to provide and maintain insurance in the manner and as provided herein shall survive termination of this Lease for a period of three years, and (ii) Lessee shall immediately upon actual or constructive knowledge thereof, give written notice to Lessor and insurer of any and all events or incidents occurring which reasonably could or may result in a claim being made under such insurance policy.

Certificates of insurance or other evidence satisfactory to Lessor, including the original or certified copies of the actual policies, showing the existence of insurance in accordance with this section, the terms and conditions of the policies, and the payments of the premium therefor, shall be delivered to Lessor forthwith and periodically prior to each expiration of such policies.

9 Loss or Damage

Lessee hereby assumes and shall bear the entire risk of direct and consequential loss and damage to the Equipment from any and every cause whatsoever. Except as provided in this section for discharge upon payment of Casualty Loss Value, no loss or damage to the Equipment or any part thereof shall release or impair any obligations of Lessee under this Lease, which shall continue in full force and effect and shall be absolute during the term hereof. In the event of loss or damage of any kind whatsoever to any item of the Equipment (hereinafter called "Loss or Damage"), Lessee, at the option of Lessor, shall, at Lessee's expense (less any insurance proceeds actually paid to Lessor): (a) place the same in good repair, condition and working order; or (b) replace the same with like equipment of the same or equivalent make and of the same or later model and in good repair, condition and working order.

The foregoing notwithstanding, in the event that any item of the Equipment shall become lost, stolen, destroyed or irreparably damaged (as established to the reasonable satisfaction of Lessor; any such occurrence being herein referred to as "Total Loss") during the term of this Lease, Lessee shall give prompt notice thereof to Lessor. Thereafter, on the next date for the payment of rent, Lessee shall pay to Lessor the rent due on that

date plus the Casualty Loss Value of the item or items of the Equipment with respect to which the Total Loss has occurred and any other sums due hereunder with respect to that Equipment (less any insurance proceeds actually paid to Lessor)

Upon making such payment in respect of any item of the Equipment, this Lease and the obligation to make future rental payments shall terminate solely with respect to the Equipment or items thereof so paid for and Lessee thereupon shall become entitled thereto "AS IS WHERE IS" and without warranty, express or implied, with respect to any matter whatsoever. In furtherance thereof, Lessor shall deliver to Lessee a bill of sale transferring and assigning to Lessee without recourse or warranty, all of Lessor's right, title and interest in and to the item of Equipment. Lessor shall not be required to make and may specifically disclaim any representation or warranty as to the condition of the Equipment or any other matters.

As used in this Lease, "Casualty Loss Value" shall mean the product of the total acquisition cost (as designated on the appropriate Schedule) of the item or items of Equipment and the applicable percentage factor set forth on the Schedule of Casualty Loss Values attached hereto, as hereinafter provided:

(a) Casualty Loss Value shall be determined as of the next date on which a payment of rent is or would be due after a Total Loss or other termination of this Lease, after payment of any rent due on such date, and the applicable percentage factor shall be that which is set forth with respect to such rent payments.

(b) After payment of the final payment of rent due under the original term of this Lease and during any renewal term hereof, Casualty Loss Value shall be determined as of the date of termination of this Lease (absent any renewal thereof) or, if during a renewal term, on the next date on which a payment of rent is or would be due after a Total Loss or other termination of such renewal term, after payment of any rent due on such date, and the applicable percentage factor shall be the last percentage factor set forth on the Schedule of Casualty Loss Values attached hereto.

In the event a Schedule of Casualty Loss Values is not included or attached hereto as a part of this Lease, "Casualty Loss Value" shall mean an amount equal to the sum of (i) all unpaid rent due and to become due under this Lease, discounted to present value at the rate of six percent (6%), (ii) the percentage of the cost to Lessor of the Equipment, as determined by Lessor, to constitute the reversionary value to Lessor of the item or items of the Equipment as of the date of termination of this Lease (absent any renewal thereof) and (iii) all other amounts due hereunder.

10 Indemnity

Lessee hereby assumes liability for, and does hereby agree to indemnify, protect, save, defend and hold harmless Lessor from and against any and all obligations, fees, liabilities, losses, damages, penalties, liens, claims, actions, judgments, costs and expenses, including reasonable attorneys fees (herein collectively referred to as "Claims") imposed on, incurred by or asserted against Lessor, in any way relating to or arising out of (x) the manufacture, purchase, acceptance or rejection, ownership, delivery, leasing, possession, use, operation, storage, removal, return, sale or other disposition of the Equipment, or any part thereof, including, without limitation, any of such as may arise from (i) loss or damage to any property or death or injury to any persons, (ii) patent or latent defects in the Equipment (whether or not discernable by Lessee or Lessor), (iii) any claims based on strict liability in tort and (iv) any claims based on patent, trademark, trade-name or copyright infringement or (y) any failure on the part of Lessee to perform or comply with any of the terms of this Lease, excluding, however, any of the foregoing resulting solely and directly from gross negligence or intentional misconduct of Lessor. Lessee agrees that upon written notice by Lessor of the assertion of such Claims Lessee shall assume full responsibility for the defense thereof.

11 Taxes

Lessee agrees to pay and on demand to indemnify and hold Lessor harmless from all license fees, registration fees, assessments, charges and taxes, together with any penalties or interest applicable thereto, which may now or hereafter be imposed upon the ownership, leasing, renting, sale, possession or use of the Equipment, excluding however, all taxes on or measured by Lessor's net income.

Lessor does not assume liability for or make representation as to the treatment by Lessee of this Lease, the Equipment or the rental payments, for financial statement or tax purposes. Lessee is advised to consult its attorney or accountant with respect thereto.

12 Assignment by Lessor and Lessee

Without the prior written consent of Lessor, Lessee shall not assign any of its rights hereunder, sublet the Equipment or otherwise permit the Equipment to be operated or used by, or to come into or remain in the possession

of anyone but Lessee. No assignment or sublease, whether consented to in writing by Lessor or in violation of the terms hereof, shall relieve Lessee of its obligations hereunder and Lessee shall at all times remain primarily liable hereunder.

Lessor may, at any time, or from time to time, sell, assign, grant or otherwise transfer right, title or interest, whether for security purposes or otherwise, under this Lease or as to Equipment in whole or in part, with or without notice to Lessee. Each assignee shall have the benefit of all of Lessor's rights, title and interests hereunder, provided, however, any such assignment shall be subject to Lessee's rights hereunder so long as no Event of Default has occurred and is continuing hereunder. In the event Lessor retains the obligations of the Lessor hereunder in any such assignment, Lessor's assignee shall not be obligated to perform any duty, covenant or condition required to be performed by the Lessor hereunder. Lessee shall not assert against an assignee or transferee of Lessor any defense, counterclaim, setoff, claim or other right that Lessee may have against Lessor.

Subject to the foregoing, this Lease inures to the benefit of, and is binding upon, the successors and assigns of the parties hereto.

13 Default: Remedies

If, with regard to any Schedule or item or items of Equipment, (i) Lessee shall fail to make any rent payment within 10 days after written notice therefor; or (ii) Lessee shall fail to make any other payment or perform or observe any other covenant, condition or agreement to be performed or observed by it hereunder and such failure shall continue for a period of 10 days after written notice thereof by Lessor; or (iii) any representation or warranty made by Lessee herein or in any document or certificate furnished Lessor in connection herewith or pursuant hereto shall prove to have been false in any material respect when made or furnished; or (iv) Lessee shall become insolvent or bankrupt or make an assignment for the benefit of creditors or consent to the appointment of a trustee or receiver, or a trustee or a receiver shall be appointed for Lessee or for a substantial part of its property without its consent and shall not be dismissed for a period of 60 days, or bankruptcy, reorganization or insolvency proceedings shall be instituted by or against Lessee and, if instituted against Lessee, shall not be dismissed for a period of 60 days, or if Lessee's business is dissolved, terminates its existence or is discontinued; or (v) Lessee without Lessor's prior written consent attempts to remove, sell, transfer, encumber, part with possession or sublet the Equipment or any item thereof, or (vi) Lessee (or any guarantor of Lessee's obligations hereunder) shall be in default under any lease, schedule thereto or other agreement heretofore, now or hereafter entered into between Lessee (or any such guarantor) and Lessor, or (vii) Lessee's (or any such guarantor's) corporate existence shall cease or Lessee (or any such guarantor) shall, without Lessor's prior written consent, sell, transfer or dispose of all or substantially all of its assets or property, or consolidate or merge with any other entity or engage in any form of corporate reorganization unless the surviving corporation of such reorganization shall assume Lessee's obligations under this Lease and any related documents, then, upon the occurrence of any such event (an "Event of Default") Lessor may, at its option, declare the Lease to be in default and may do one or more of the following with respect to any or all Equipment as Lessor, in its sole discretion shall elect, all of which are authorized hereby by Lessee, to the extent permitted by and subject to compliance with any mandatory requirement of applicable law then in effect:

(a) Cause Lessee, upon written demand of Lessor and at Lessee's expense, to promptly return any or all items of Equipment to Lessor in accordance with all of the terms of section 14 hereof, or Lessor, at its option, may take possession of any or all items of Equipment and remove the same without liability for injuries suffered through or loss caused by such repossession, and repossession shall not constitute termination of this lease; LESSEE WAIVES ANY AND ALL RIGHTS TO NOTICE AND JUDICIAL HEARING WITH RESPECT TO THE REPOSSESSION OR ATTACHMENT OF THE EQUIPMENT BY LESSOR IN THE EVENT OF DEFAULT HEREUNDER BY LESSEE.

(b) Sell or lease any or all items of Equipment at public or private sale or lease at such time or times as Lessor may determine and if notice thereof is required by law, any notice in writing of any such sale or lease by Lessor to Lessee not less than 10 days prior to the date thereof shall constitute reasonable notice thereof to Lessee; or otherwise dispose of, hold, use, operate, or keep idle such Equipment, all as Lessor, in its sole discretion, may determine and all free and clear of any rights of Lessee and without any duty to account to Lessee for such action or inaction or for any proceeds with respect thereto;

(c) By written notice to Lessee, cause Lessee to pay Lessor (as liquidated damages for loss of a bargain and not as a penalty) on the date specified in such notice an amount equal to the sum of (i) any unpaid rent due and payable for rental periods up to and including the rental period during which Lessor has declared this Lease to be in default; (ii) the present value of all future rentals contracted to be paid over the unexpired term of the

Lease at the discount rate of 6%. (iii) all costs and expenses, including, but not limited to, reasonable legal fees and expenses incurred by Lessor as a result of Lessee's default hereunder, less the amount received by Lessor upon such public or private sale of such items of Equipment, if any.

(d) Any other right or remedy which may be available to it under the Uniform Commercial Code or any other applicable law or Lessor may proceed by appropriate court action to specifically enforce the terms hereof or to recover damages for the breach hereof or to rescind this Lease as to any or all Equipment. In addition, Lessee shall continue to be liable for all indemnities under this Lease and for all legal fees and other costs and expenses resulting from the foregoing defaults or the exercise of Lessor's remedies, including placing any equipment in the condition required by section 14 hereof.

No remedy is exclusive, but each shall be cumulative and in addition to any other remedy referred to above or otherwise available to Lessor at law or in equity. Any repossession or subsequent sale or lease by Lessor of any item of Equipment shall not bar an action for a deficiency as herein provided and the bringing of any action or the entry of judgment against the Lessee shall not bar the Lessor's right to repossess any or all items of Equipment. No express or implied waiver by Lessor of any default shall constitute a waiver of any other default by Lessee or a waiver of any of Lessor's rights. To the extent permitted by applicable law, Lessee hereby waives any rights now or hereafter conferred by statute or otherwise which may require Lessor to sell, lease or otherwise use any Equipment in mitigation of Lessor's damages as set forth in this section or which may otherwise limit or modify any of Lessor's rights or remedies under this section.

14 Return of Equipment

Upon the expiration or earlier termination of this Lease (or of any renewal hereof, if applicable), Lessee shall (unless Lessee has paid the Casualty Loss Value with respect thereto pursuant to section 9 hereof), at its own expense, return the Equipment to Lessor in the same condition as when delivered to Lessee hereunder, ordinary wear and tear resulting from proper use thereof alone excepted, and free and clear of all liens, encumbrances or rights of others whatsoever except liens or encumbrances resulting from claims against Lessor not relating to the ownership of such Equipment, to such location within the continental United States as shall be designated by Lessor in writing. In addition, if repairs are made necessary in the reasonable opinion of Lessor, to place the Equipment in the condition required in this section, Lessee agrees to pay the reasonable cost of such repairs and further agrees to pay Lessor reasonable rent for the period of time reasonably necessary to accomplish such repairs.

15 Quiet Possession

Lessor hereby represents and warrants to Lessee that Lessor has full right and authority to enter into this Lease on the terms herein stated, and that, conditioned upon Lessee performing all of the covenants and conditions hereof, as to claims of Lessor or persons claiming under Lessor, Lessee shall peaceably and quietly hold, possess and use the Equipment during the term of this Lease subject to the terms and provisions hereof.

16 Notices, etc.

Notices, demands, requests, acknowledgements and other communications hereunder shall be sufficient if in writing and given personally or mailed to the Lessee at its billing address and to Lessor at its address indicated herein or at such other address as said party may provide in writing from time to time, and shall be effective when deposited in the United States mail duly addressed with postage prepaid.

17 Intent: Title

It is the express intent of the parties that this agreement constitutes a true lease and in no event shall this agreement be construed as a sale of the Equipment. Title to the Equipment shall at all times remain in Lessor, and Lessee shall acquire no ownership, title, property, right, equity, or interest in the Equipment other than its leasehold interest solely as Lessee, subject to all the terms and conditions hereof.

Notwithstanding the express intent of the parties, should a court of competent jurisdiction determine that this agreement is not a true lease, but rather one intended as security, then solely in that event and for the expressly limited purposes thereof, Lessee shall be deemed to have hereby granted Lessor a security interest in this Lease, the Equipment, and all accessions thereto, substitutions and replacements therefor, and proceeds (including insurance proceeds) thereof (but without power of sale), to secure the prompt payment and performance as and when due of all obligations and indebtedness of Lessee to Lessor, now existing or hereafter created; provided, however, that the foregoing shall not apply if such determination is made solely for purposes of Federal income taxes.

The parties intend and agree that the Equipment shall remain personal property, notwithstanding the manner in which it may be affixed to any real property. Lessee shall obtain and deliver to Lessor (to be recorded at Lessee's expense), from each landlord, owner, mortgagee or any person having an encumbrance or lien on or interest in the property where the Equipment is to be located, waivers of any lien, encumbrance or interest which such person might have or hereafter obtain or claim with respect to the Equipment. Lessee further agrees to maintain the Equipment free from all claims, liens and legal processes of creditors of Lessee and will defend, at its own expense, Lessor's title to the Equipment from such claims, liens or legal processes. Lessee shall also notify Lessor immediately upon receipt of notice of any lien, attachment or judicial proceeding affecting the Equipment in whole or in part.

18 Incorporation by Reference: Entire Agreement

All Schedules, riders, addenda, attachments, exhibits, guarantees, and other instruments attached hereto, if any, are hereby incorporated in this Lease as if fully set forth herein. This Lease is the sole, complete and exclusive statement of the agreement between Lessor and Lessee for the Equipment being leased hereunder. Lessee acknowledges that no other written or oral agreements or representations have been made by Lessor in connection herewith except as they appear in this Lease, and any documents or schedules or riders attached hereto by specific, express reference. No modification or additions to this Lease shall be binding upon Lessor, unless it is expressly agreed upon in writing by Lessor's duly authorized representative.

19 Miscellaneous

This Lease shall constitute an irrevocable offer by Lessee until acceptance by Lessor. The provisions of sections 8, 9, 10, 11, and 13 shall survive termination of this Lease. No provision of this Lease can be waived nor shall any one waiver be considered a continuing waiver. No delay in exercising a right shall constitute a waiver thereof by Lessor. Lessee shall provide Lessor with such corporate resolutions, opinions of counsel, financial statements and other documents as Lessor shall request from time to time. If more than one Lessee is named in the Lease, the liability of each shall be joint and several. If Lessor so requests, Lessee shall execute such documents as shall be required for proper filing or recording of Lessor's interest herein and to the Equipment. Any such filing or recording shall not be deemed evidence inconsistent with the true lease nature of this agreement. This Lease shall be governed in all respects by the laws of the State of Connecticut. Time is of the essence hereof.

The captions in this Lease are for convenience of reference only and shall not define or limit any of the terms or provisions hereof. As used herein, the term "Lease" shall include all exhibits and schedules related thereto.

LESSEE HEREBY ACKNOWLEDGES RECEIPT OF A TRUE COPY OF THIS LEASE.

LESSOR: METLIFE CAPITAL CREDIT CORPORATION

BY: [Signature]
(SIGNATURE)
William O. Lucas, Senior Vice President
(PRINT NAME) (TITLE)

[Corporate Seal]

Attest: Wm Waterfield

Ten Stamford Forum
Stamford, CT 06904
November 30, 1988
(DATE)

LESSEE: HORSEHEAD INDUSTRIES, INC.

BY: Wm. Flaherty
(SIGNATURE)
W.E. FLAHERTY PRESIDENT & CEO
(PRINT NAME) (TITLE)
11/10/88
(DATE)

[Corporate Seal]

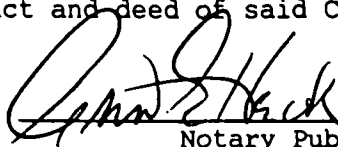
Attest: Stephen M. Phelan

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MELATDISK/JBSW

By: D.T. Seagrist
(SIGNATURE)
D.T. SEAGRIST V.P. - TREASUROR
(PRINT NAME) (TITLE)
11/10/88
(DATE)

STATE OF CONNECTICUT,)
) ss.:
COUNTY OF FAIRFIELD,)

On this 30th day of November 1988, before me personally appeared WILLIAM O. LUCAS, to me personally known, who, being by me duly sworn, says that he is Senior Vice President of METLIFE CAPITAL CREDIT CORPORATION, a Delaware corporation, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation


Notary Public

[Notarial Seal]

My Commission Expires

ANN E. HECK
NOTARY PUBLIC
MY COMMISSION EXPIRES MARCH 31, 1992

STATE OF New York,)
) ss.:
COUNTY OF New York,)

On this 10th day of November 1988, before me personally appeared W.F. Flaherty and Don T. Seagquist, to me personally known, who, being by me duly sworn, says that he is President-CEO and VP-Treasurer of HORSEHEAD INDUSTRIES, INC., that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.


Notary Public

[Notarial Seal]

My Commission Expires

MELBA GARCIA
Notary Public, State of New York
No. 41-4841083
Qualified in Queens County
Cert. Filed in New York County 89
Commission Expires June 30, 19

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MELATDISK/JBSW

Rider To Master Equipment Lease Agreement dated as of the TENTH day of ~~October~~ ^{NOVEMBER}, 1988, by and between MetLife Capital Credit Corporation and Horsehead Industries, Inc.

The terms and conditions stated in this Rider are deemed incorporated into the above-referenced Master Equipment Lease Agreement ("Lease"). Unless otherwise stated herein, all defined terms used herein shall have the same meaning as provided in the Lease.

1. Section 2 of the Lease is amended by the addition of the following:

So long as no Event of Default hereunder has occurred and is continuing, Lessee shall have the right at its option, upon at least 90 days (but not more than 180 days) prior written notice to Lessor, to terminate the Lease for all, but not less than all, of the Equipment on a rent payment date specified in such notice (such rent payment date being called the "Termination Date"); provided, however, that Lessee shall not have the right to terminate the Lease prior to the date due for payment of the ninth (9th) rental payment. During the period from the giving of such notice until the Termination Date, Lessee, as agent for Lessor, may obtain bids for the purchase of the Equipment. Lessee shall certify to Lessor in writing the amount and terms of each bid received by Lessee and the name and address of the person submitting such bid. Lessee may submit bids on its own behalf for the purchase of the Equipment. Lessor may, but shall be under no duty to, solicit bids or otherwise take any action in connection with the sale of the Equipment. On the Termination Date, Lessor shall sell the Equipment for cash to the bidder who shall have submitted the highest bid prior to such date, and title to the Equipment shall be transferred by Lessor to such bidder on an "AS-IS, WHERE-IS" BASIS, WITHOUT RECOURSE AND WITHOUT REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED. The total sale price realized at such sale shall be retained by Lessor and, in addition, on the Termination Date, Lessee will pay to Lessor (1) the excess, if any, of (A) the Termination Value of the Equipment on the Termination Date, over (B) the sale price of the Equipment after deducting all taxes (other than income taxes on any gain in such sale), costs and expenses (including legal fees and expenses) incurred or paid by Lessor in connection with such sale; and (2) all rent and other amounts due hereunder (including any amounts due under any Purchase Option or Purchase Agreement) on or prior to the Termination Date. If for any reason no sale shall occur on the Termination Date, the lease of the Equipment hereunder shall continue in full force and effect. For purposes of this Lease, "Termination Value" shall mean the amount designated on the Schedule of Termination Values. Notwithstanding the foregoing, on at least thirty (30) days notice to Lessee, prior to any Termination Date, in the exercise of its sole discretion, Lessor may notify Lessee that Lessor elects to retain title and possession to the Equipment and that the Equipment will not be sold in the manner otherwise contemplated by this section. In the event Lessor makes the election contemplated hereby, Lessee shall have no obligation to pay the Termination Value to Lessor, and the Lease shall be deemed terminated as of the Termination Date.

2. Section 3 of the Lease is amended by the addition of the following:

Lessor agrees that it shall perform its obligations hereunder including paying the purchase price of the Equipment following receipt of evidence, satisfactory to Lessor, that Lessee has satisfied all conditions to Lessor's performance as set forth hereunder or in any other prior communication from Lessor.

3. Section 5 of the Lease is amended by the addition of the following:

Lessee will cause each unit of Equipment to be kept numbered with the identifying number set forth on the Schedules hereto, or in the case of any unit of Equipment not there listed such identifying number as shall be set forth in any amendment or supplement hereto extending this Lease to cover such unit of Equipment, and (to the extent practical while the Equipment is undergoing refurbishment) will keep and maintain, plainly, distinctly, permanently and conspicuously marked on each side in letters not less than one inch in height, the words, "OWNERSHIP SUBJECT TO A LEASE FILED WITH THE INTERSTATE COMMERCE COMMISSION.", or other appropriate words designated by the Lessor, with appropriate changes thereof and additions thereto as from time to time may be designated by the Lessor as required by law or reasonably requested in order to protect the Lessor's title to and interest in such unit of Equipment and the rights of the Lessor under this Lease. The Lessee will not place or permit any such unit of Equipment to be placed in operation or exercise any control or dominion over the same until such words shall have been so marked on both sides thereof and will replace or cause to be replaced promptly any such name and words which may be removed, defaced, obliterated or destroyed. Lessee will not change or permit to be changed the identifying number of any unit of Equipment unless and until (i) a statement of new number or numbers to be substituted therefor shall have been filed with the Lessor and filed, recorded and deposited by the Lessee in all public offices where this Lease shall have been filed, recorded and deposited and (ii) the Lessee shall have furnished the Lessor an opinion filed of counsel to the effect that such statement has been so filed, recorded and deposited; such filing, recordation and deposit will protect the Lessor's interest in such units; and no filing, recording, deposit or giving of notice with or to any other Federal, state or local government or agency thereof is necessary to protect the interests of the Lessor in such units.

Except as above provided, the Lessee will not allow the name of any person, association or corporation to be placed on any unit as a designation that might be interpreted as a claim of ownership; provided, however, that the Lessee may permit the Equipment to be lettered with the names, trademarks, initials or other insignias customarily used by the Lessee on railroad equipment used by it of the same or a similar type for convenience of identification of its rights to use the Equipment under this Lease, and the Equipment may be lettered in an appropriate manner for convenience of identification of the interest of the Lessee therein.

Lessee may make any change in the lettering of the names, trademarks, initials or other insignias at any time and as often as it deems it appropriate to do so. At the expiration of the Lease or any extension thereof, Lessee will promptly remove, at the Lessee's sole expense, the Lessee's names, trademarks, initials or other insignias and will not allow the units of Equipment to be used or operated without first removing same.

On or before March 30 in each year, commencing with March 30, 1989, Lessee will furnish to Lessor an accurate statement (a) setting forth as of the preceding December 31 the amount, description and number of all units of Equipment then leased hereunder, the amount, description and numbers of all units of Equipment that have suffered Loss or Damage or a Total Loss during the preceding calendar year (specifying the dates of such Loss or Damage or Total Loss) or to the knowledge of the Lessee are then undergoing repairs (other than running repairs) or are then withdrawn from use pending repairs (other than running repairs) and such other information regarding the condition and state of repair of the units of Equipment as the Lessor may reasonably request, and (b)

stating that, in the case of all units of Equipment repainted or repaired during the period covered by such statement, the numbers and the markings required by this Section have been preserved or replaced.

Lessee, at its own expense, or Lessor, at Lessee's expense, will cause this Lease to be filed and recorded with the Interstate Commerce Commission in accordance with 49 U.S.C. Section 11303. Lessee will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register, record (and will refile, reregister, deposit and redeposit or rerecord whenever required) any and all further instruments required by law or reasonably requested by the Lessor for the purpose of proper protection, to their satisfaction, of the Lessor's interest in the Equipment, or for the purpose of carrying out the intention of this Lease.

Lessee will promptly furnish to Lessor evidence of all such filing, registering, depositing or recording. This Lease shall be filed and recorded with the Interstate Commerce Commission prior to the delivery and acceptance hereunder of any unit of Equipment.

4. Section 7 of the Lease is amended by the addition of the following:

So long as no Event of Default has occurred and is continuing, Lessee shall be entitled to receive any payment made pursuant to a warranty claim asserted by Lessee pursuant to this Section 7.

5. Section 8 of the Lease is amended as follows:

a. At the beginning of the second complete paragraph, add:

Lessee represents that its insurance coverage is an "occurrence" form of coverage. The balance of this paragraph shall be inapplicable so long as Lessee's insurance coverage is "occurrence" form of coverage.

b. In the fifth line of the second complete paragraph, delete the words "or constructive".

6. Section 9 of the Lease is amended by the addition of the following at the end of the third complete paragraph:

Following the payment to Lessor of all amounts required to be paid under the foregoing paragraph, Lessee shall be entitled to retain or receive all insurance proceeds and other payments relating to the Total Loss.

7. Section 12 of the Lease is amended as follows:

a. Delete the first complete paragraph and replace it with the following:

Without the prior written consent of Lessor, which consent shall not be unreasonably withheld, Lessee shall not assign any of its rights hereunder, sublet the Equipment or otherwise permit the Equipment to be operated or used by, or to come into or remain in the possession of anyone but Lessee, except that Lessee may, without Lessor's prior consent but upon prior written notice to Lessor, sublease the Equipment to any subsidiary that is more than fifty (50%) percent owned by Lessee, with Lessee remaining liable for all of its obligations under this Lease.

b. The second paragraph, the third and fourth lines thereof, is amended by deleting the words "or without".

8. Section 13 of the Lease is amended as follows:

a. Subsection (i) in the first paragraph and Subsection (b) are amended to provide for 10 business days rather than 10 days.

b. Subsection (a) is amended by deleting the seventh through eleventh lines thereof, commencing with the word "LESSEE" in bold face and by replacing it with:

LESSOR SHALL PROVIDE LESSEE WITH WRITTEN NOTICE OF ANY REPOSSESSION, (WHICH SHALL BE PEACEFUL) OR ATTACHMENT OF THE EQUIPMENT BY LESSOR FOLLOWING AN EVENT OF DEFAULT. SAID REPOSSESSION OR ATTACHMENT MAY BE WITH OR WITHOUT LEGAL PROCESS BUT SHALL BE IN ACCORDANCE WITH APPLICABLE STATE AND LOCAL LAWS.

c. Subsection (c)(ii) is amended by its deletion and by its replacement with:

...the Casualty Loss Value for the next rent payment date following the last date the rent payment was actually paid to Lessor;

9. Section 14 of the Lease is amended by deleting from the ninth line the words "the continental United States" and by replacing them with the words, "100 miles of the equipment location stated in the Schedule."

10. Section 17 of the Lease is amended by deleting the next to last sentence and by replacing it with the following:

Lessee further agrees to maintain the Equipment free from all claims (except for claims resulting solely from acts of Lessor), liens and legal processes of creditors of Lessee (except for any lien arising out of or related to any tax not yet due or that is being contested in good faith in appropriate proceedings or materialmens', mechanics' or other similar liens arising in the ordinary course of business) and will defend at its own expense, Lessor's title to the Equipment from such claims, liens or legal processes.

LESSEE HEREBY ACKNOWLEDGES RECEIPT OF A TRUE COPY OF THIS LEASE.

LESSOR: ~~METLIFE~~ CAPITAL CREDIT CORPORATION

BY: 

(SIGNATURE)

William O. Lucas, Senior Vice President

(PRINT NAME)

(TITLE)

Ten Stamford Forum
Stamford, CT 06904

(DATE)

LESSEE: HORSEHEAD INDUSTRIES, INC.

BY: 

(SIGNATURE)

W.E. FLAHERTY PRESIDENT & CEO

(PRINT NAME)

(TITLE)

(DATE)


(SIGNATURE)

D.T. SEAQUIST V.P.-TREASURER

(PRINT NAME)

TITLE

[Corporate Seal]

Attest: 

[Corporate Seal]

Attest: 

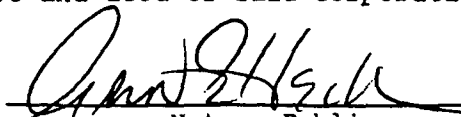
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STATE OF CONNECTICUT,

COUNTY OF FAIRFIELD,

)
) ss.:
)

On this 30th day of November 1988, before me personally appeared WILLIAM O. LUCAS, to me personally known, who, being by me duly sworn, says that he is Senior Vice President of METLIFE CAPITAL CREDIT CORPORATION, a Delaware corporation, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.


Notary Public

[Notarial Seal]

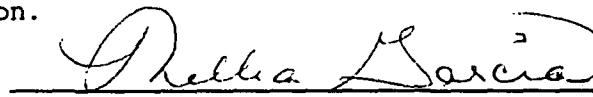
My Commission Expires

ANN E. HECK
NOTARY PUBLIC
MY COMMISSION EXPIRES MARCH 31, 1992

STATE OF New York,
COUNTY OF New York,

)
) ss.:
)

On this 10th day of December 1988, before me personally appeared W.E. Flaherty and Don T. Sequist, to me personally known, who, being by me duly sworn, says that he is President-CEO and VP-Treasurer of HORSEHEAD INDUSTRIES, INC., that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.


Notary Public

[Notarial Seal]

My Commission Expires

MELBA GARCIA
Notary Public, State of New York
No. 41-4841093
Qualified in Queens County
Cert. Filed in New York County
Commission Expires June 30, 1989

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RJT/JBSW2DISK

Horsehead Industries
Casualty Values

Master Equipment Lease Agreement dated November 10, 1988

Payment Number	Casualty Value*
0	1,282,393.51
1	1,249,571.94
2	1,215,860.09
3	1,181,233.81
4	1,145,668.29
5	1,109,138.05
6	1,071,616.93
7	1,033,078.05
8	993,493.80
9	952,835.83
10	911,075.01
11	868,181.43
12	824,124.36
13	778,872.24
14	732,392.66
15	684,652.32
16	635,617.03
17	585,251.65
18	533,520.11
19	480,385.35
20	425,809.32
21	369,752.90
22	312,175.96
23	253,037.24
24	192,294.39
25	129,903.89
26	65,821.04
27	1.00

* -- After Payment for that
Period has been received

HORSEHEAD INDUSTRIES, INC.
By: DD Lagard
TITLE: V.P. - TREASURER
DATE: 11/10/88

HORSEHEAD INDUSTRIES, INC.
By: W.M. Flaherty
Title: PRESIDENT & CEO
Date: 11/10/88

Horsehead Industries
Termination Values

Master Equipment Lease Agreement dated November 10, 1988

Payment Number	Termination Value*
0	1,282,393.51
1	1,249,571.94
2	1,215,860.09
3	1,181,233.81
4	1,145,668.29
5	1,109,138.05
6	1,071,616.93
7	1,033,078.05
8	993,493.80
9	952,835.83
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17	585,251.65
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20	425,809.32
21	369,752.90
22	312,175.96
23	253,037.24
24	192,294.39
25	129,903.89
26	65,821.04
27	1.00

* -- After Payment for that
Period has been received

~~HORSEHEAD INDUSTRIES, INC.~~ HORSEHEAD INDUSTRIES, INC.

By: DD Seaguit

TITLE: V.P. - TREASURER

DATE: 11/10/88

By: x Wm. Flaherty

TITLE: PRESIDENT & CEO

DATE: 11/10/88

EQUIPMENT SCHEDULE

This schedule is executed pursuant to the Master Equipment Lease Agreement dated as of NOVEMBER 10⁸

_____, 19 88 between the undersigned Lessor and Lessee (herein, as amended and supplemented from time to time). Lessor and Lessee hereby agree that each item of Equipment described below or on Exhibit A Attached hereto is hereby leased from Lessor to Lessee under and is subject to all of the terms, conditions and provisions of the Lease; that the term for each such item of Equipment commences as set forth herein; that the amount of the Acquisition Cost, Interim Rent and Basic Rent for all items of Equipment covered by this Schedule and the Interim Term and Basic Term thereof, is as set forth below. Lessee certifies that its representations and warranties as set forth in Section 6 of the Lease are true and correct on the date hereof. All capitalized terms used herein which are not defined herein shall have the meaning given to such terms in the Lease.

1. DESCRIPTION OF EQUIPMENT: Eighty (80) 100 Ton Gondola Railcars more fully described on Exhibit A attached hereto.

2. EQUIPMENT LOCATION: The above equipment shall be maintained and located at: _____
Equipment is rolling stock and will be located at 300 Frankfort Road, Monaca, Pennsylvania

3. ACQUISITION COST: \$ 1,350,000.00

4. INTERIM TERM: Yes X No _____ If yes, commencing on date of acceptance as set forth on the Acceptance Certificate on the date immediately preceding commencement of the Basic Term.

Eighty-

5. BASIC TERM: Four (84) months, commencing on NOVEMBER 10, 1988
19 88 and ending on NOVEMBER 10⁸, 19 95

6. INTERIM RENT: Yes X No _____ If yes, \$ _____ (plus applicable sales/use tax) and payable on _____, 19 _____. Interim Rent shall be equal to the daily equivalent of the monthly Basic Rent, calculated by dividing the monthly Basic Rent by 30 and multiplying by the number of days elapsed from Interim Term commencement date to but excluding the Basic Rent commencement date.

7. BASIC RENT: 5.007888 % of Acquisition Cost or \$ 67,606.49 (plus applicable sales/use tax), payable quarterly in advance on each rent payment date commencing on, NOVEMBER 10⁸, 19 88 and thereafter on the same day of each successive period until all rent is fully paid. If there be a variable rent payment, the payment shall be due as follows:

8. ADVANCE RENT PAYMENT: Yes X No _____ If yes, advance Basic Rent for the first quarterly payments will be payable on the Basic Rent commencement date. and last

9. PLACE OF PAYMENT: All payments are to be remitted to Lessor identified and located at the following address: MetLife Capital Credit Corporation, Ten Stamford Forum, P.O. Box 601, Stamford, Connecticut 06904.

10. RENEWAL OPTION: Yes _____ No XX If yes, see annexed Renewal Option Rider for terms.

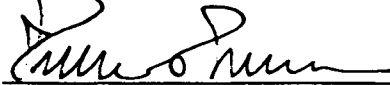
11. PURCHASE OPTION: Yes XX No _____ If yes, see annexed Purchase Option Rider, the terms of which are hereby incorporated by reference, provided, however, that in the event the Equipment herein is described and designated as part of an Asset Group, Lessee's right to exercise its purchase option hereunder shall be subject to the limitation that if it elects to purchase the Equipment hereunder, it shall elect to purchase, at the expiration of the Basic Term, all Equipment similarly designated on any other Schedule to the Lease as being a part of the same Asset Group. See Mandatory Dollar Purchase Agreement Annexed Hereto.

12. OTHER CONDITIONS:

Approved, accepted and executed by the respective parties hereto on the date set forth below their respective signatures.

LESSEE HEREBY ACKNOWLEDGES RECEIPT OF A TRUE COPY OF THIS SCHEDULE.

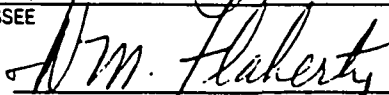
METLIFE CAPITAL CREDIT CORPORATION

By: 
(Signature)

Name: William O. Lucas, Senior Vice President
(Print or Type) (Title)

Date: November 30, 1988
(Print or Type)

HORSEHEAD INDUSTRIES, INC.

LESSEE
By: 
(Signature)

Name: W.E. FLAHERTY PRESIDENT & CEO
(Print or Type) (Title)

Date: 11/10/88
(Print or Type)

By: 

NAME: D.T. SEAQUIST V.P.-TREASURER

DATE 11/10/88

EXHIBIT "A"

Eighty (80) 100 Ton Gondola Railcars:

ZCAX72000	ZCAX72040
ZCAX72001	ZCAX72041
ZCAX72002	ZCAX72042
ZCAX72003	ZCAX72043
ZCAX72004	ZCAX72044
ZCAX72005	ZCAX72045
ZCAX72006	ZCAX72046
ZCAX72007	ZCAX72047
ZCAX72008	ZCAX72048
ZCAX72009	ZCAX72049
ZCAX72010	ZCAX72050
ZCAX72011	ZCAX72051
ZCAX72012	ZCAX72052
ZCAX72013	ZCAX72053
ZCAX72014	ZCAX72054
ZCAX72015	ZCAX72055
ZCAX72016	ZCAX72056
ZCAX72017	ZCAX72057
ZCAX72018	ZCAX72058
ZCAX72019	ZCAX72059
ZCAX72020	ZCAX72060
ZCAX72021	ZCAX72061
ZCAX72022	ZCAX72062
ZCAX72023	ZCAX72063
ZCAX72024	ZCAX72064
ZCAX72025	ZCAX72065
ZCAX72026	ZCAX72066
ZCAX72027	ZCAX72067
ZCAX72028	ZCAX72068
ZCAX72029	ZCAX72069
ZCAX72030	ZCAX72070
ZCAX72031	ZCAX72071
ZCAX72032	ZCAX72072
ZCAX72033	ZCAX72073
ZCAX72034	ZCAX72074
ZCAX72035	ZCAX72075
ZCAX72036	ZCAX72076
ZCAX72037	ZCAX72077
ZCAX72038	ZCAX72078
ZCAX72039	ZCAX72079

HORSEHEAD INDUSTRIES, INC.

By: DD [Signature]

Title: V.P. - TREASURER

Date: 11/10/88

HORSEHEAD INDUSTRIES, INC.

By: Wm. Flaherty

Title: PRESIDENT & CEO

Date: 11/10/88

Master-Schedule

DOLLAR PURCHASE AGREEMENT

AGREEMENT made this TENTH day of NOVEMBER, 19 88, by and between MetLife Capital Credit Corporation, located at 10 Stamford Forum, Stamford, Connecticut (hereinafter "Lessor") and HORSEHEAD INDUSTRIES, INC. (hereinafter "Lessee").

WHEREAS on TENTH day of NOVEMBER, 19 88, Lessor entered into a Master Equipment Lease Agreement and/or Schedules with Lessee, (the "Lease Agreement").

WHEREAS, pursuant to the Lease Agreement, Lessor and Lessee entered into Equipment Schedule ONE dated NOVEMBER 10, 19 88 (the "Schedule")

NOW, THEREFORE, in consideration for having entered into the Lease Agreement and in further consideration of the mutual rights and obligations contained therein, the parties thereto agrees as follows:

1. So long as no Event of Default (as defined in the Lease Agreement) or event which with the passage of time or giving of notice or both would become an Event of Default shall have occurred and be continuing, Lessee shall purchase such item of Equipment on such expiration date for a cash purchase price equal to One Dollar (\$1.00), plus an amount equal to all rent and all other amounts due under the Schedule, plus an amount equal to all taxes (other than income taxes on any gain on such sale), costs and expenses (including legal fees and expenses) incurred or paid by Lessor in connection with such sale. Upon payment by Lessee of such purchase price, and of all other amounts then due and payable by Lessee hereunder, LESSOR SHALL TRANSFER TITLE TO SUCH ITEM OF EQUIPMENT TO LESSEE ON AN "AS-IS, WHERE-IS" BASIS, WITHOUT RECOURSE AND WITHOUT REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, THE CONDITION OF THE EQUIPMENT, ITS MERCHANTABILITY OR ITS FITNESS FOR A PARTICULAR PURPOSE.

2. Lessor shall execute and deliver to Lessee all documents necessary and proper to effect transfer of ownership of said Equipment upon payment by Lessee of the full amount of the purchase price plus applicable taxes as herein set forth.

3. This Agreement shall be binding upon Lessee, its successors and assigns.

4. In the event there is a breach of this Agreement, Lessor shall have any and all rights available to it at law or equity, including but not limited to an action for damages.

5. Any amounts held by Lessor on account of the Lease Agreement such as advance rentals, security deposits, overpayments others shall be applied to payment of Lessee's obligations hereunder.

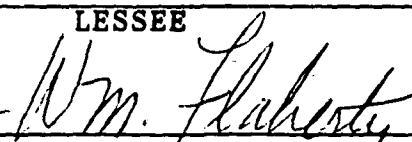
METLIFE CAPITAL CREDIT CORPORATION

By: 

Title: _____

HORSEHEAD INDUSTRIES, INC.

LESSEE

By: + 

Title: PRESIDENT & CEO

By: 

TITLE: V.P. - TREASURER

Dollar/PA
(dd5 Disk 5/1/87)